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**ANGELIDES CONVINCES CalPERS TO REVIEW INVESTMENTS IN GREECE AND
TURKEY AND TO DENY CONTRACT WITH CONSULTANT WHO FAILS TO
ACKNOWLEDGE ARMENIAN GENOCIDE.**

Sacramento, CA -- State Treasurer Philip Angelides led the Investment Committee of the California Public Employees Retirement System (CalPERS) to unanimously reject proposed standards for equity and debt investment in foreign markets. CalPERS is the nation's largest public pension fund with over \$150 billion in assets.

The proposed criteria classified countries in three categories - appropriate for investment, appropriate for limited exposure, and prohibited. Angelides objected to the standards as inaccurate, outdated, and insufficient to protect CalPERS investments. The proposal put Greece in the same category - limited exposure - along with countries such as Turkey, Indonesia, and Malaysia.

"The proposal made no sense. Greece is a stable, democratic country with a growing and flourishing economy on a track to join the European Union. The returns from our equity investments in Greece are among the best in our entire portfolio."

Over the last year, CalPERS annual returns from equity investments in Greece have been 47.5% and, over the last 4 years, have exceeded 35% annually. CalPERS currently holds approximately \$197.7 million in Greek market equities and \$32.4 million in fixed income investments.

Angelides also challenged the safety of CalPERS investments in Turkey. Angelides pointed out that Turkey's human rights violations, aggressive military posture, and political instability were great threats to the Turkish economy and thus, to CalPERS investments. Angelides also strongly challenged the proposed standards which gave Greece and Turkey the same rankings for political risk and which ranked Turkey higher on country development.

(More)

"The proposed investment standards clearly did not take into account the tremendous political and economic troubles faced by Turkey or the fact that Turkey's continued occupation of Cyprus and its gross human rights violations mean that Turkey cannot enter the EU. Without the EU, Turkey's economic future is grim. I do not want to risk our money in such an unstable environment."

In addition to rejecting the proposed standards for investment, Angelides led a successful effort to deny a \$30,000 contract with a consulting firm whose recent report to the CalPERS Board dishonored the memory of 1.5 million Armenians who were massacred by the Turks during the early 20th century.

The staff of CalPERS was recommending retention of the consultant to help evaluate investments in foreign markets.

In a recent report on political risks linked to investment in Turkey, prospective consultant Marvin Zonis wrote, "With the Ottoman loss in World War I and the collapse of the Ottoman Empire, Ataturk resolved to create a state restricted to the Anatolian peninsula and Istanbul across the Bosphorus that would be a national home for the Turks. The very large Greek minority fled to Greece. **The Armenians were dealt with in a different way** (emphasis added)."

"The analysis is outrageous, insensitive and disrespectful," said Angelides. "We can never forget atrocities like those committed against the Armenians in the early part of this century. Telling the truth about genocide against the Armenians is particularly important given the Turkish government's continued denial of the massacre."